REGULATION OF MEMBER OF BOARD OF GOVERNORS

NUMBER 22/20/PADG/2020

ON

SETTLEMENT FOR BILATERAL TRANSACTIONS BETWEEN INDONESIA

AND JAPAN USING RUPIAH AND YEN THROUGH BANK

BY THE BLESSINGS OF ALMIGHTY GOD

MEMBER OF BOARD OF GOVERNORS OF BANK INDONESIA,

Considering : a. that Bank Indonesia and the authority of Japan have agreed on the formation of cooperation framework to encourage settlement for bilateral transactions using rupiah and yen in financial activities and transactions through bank;

b. that Bank Indonesia has issued Bank Indonesia Regulation on Settlement for Bilateral Transactions Using Local Currencies Through Bank (Local Currency Settlement);

c. that based on the foregoing consideration in point a and point b, it is necessary to establish Regulation of Member of Board of Governors on Settlement for Bilateral Transactions between Indonesia and Japan Using Rupiah and Yen through Bank.

To enact : Bank Indonesia Regulation Number 22/12/PBI/2020 on Settlement for Bilateral Transactions Using Local Currencies Through Bank (State Gazette of the Republic of Indonesia of 2020 Number 198, Supplement to State Gazette of the Republic of Indonesia Number 6550);

HAS DECIDED:

To establish : REGULATION OF MEMBER OF BOARD OF GOVERNORS ON SETTLEMENT FOR BILATERAL TRANSACTIONS BETWEEN INDONESIA AND JAPAN USING RUPIAH AND YEN THROUGH BANK.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Regulation of Member of Board of Governors:

1. Bank means a bank which carries on business activities in a conventional manner and/or according to sharia principles whichprovides payment services, including a branch office of a bank domiciled overseas.

2. Settlement for Bilateral Transactions Using Rupiah and Yen (Local Currency Settlement), hereinafter referred to as Rupiah and Yen LCS, means settlement of bilateral transactions by entities in Indonesia and Japan by using rupiah and yen.

3. Appointed Cross Currency Dealer Bank, hereinafter referred to as ACCD Bank, means an appointed bank to settle certain financial activities and transactions for the purpose of implementation of Rupiah and Yen LCS.

4. Indonesian ACCD Bank means ACCD Bank in Indonesia.

5. Japanese ACCD Bank means ACCD Bank in Japan.

6. Rupiah Special Purpose Non-Resident Account, hereinafter referred to as Rupiah SNA, means a special account owned by Japanese ACCD Bank denominated in rupiah opened in Indonesian ACCD Bank for the purpose of implementation of Rupiah and Yen LCS.

7. Rupiah Sub-Special Purpose Non-Resident Account, hereinafter referred to as Rupiah Sub-SNA, means a special account owned by Japanese LCS Customer denominated in rupiah opened in a Japanese ACCD Bank for the purpose of implementation of Rupiah and Yen LCS.

8. Yen Special Purpose Non-Resident Account, hereinafter referred to as Yen SNA, means a special account owned by Indonesian ACCD Bank denominated in yen opened in Japanese ACCD Bank for the purpose of implementation of Rupiah and Yen LCS.

9. Yen Sub-Special Purpose Non-Resident Account, hereinafter referred to as Yen Sub-SNA, means a special account owned by Indonesian LCS customer denominated in yen opened in Indonesian ACCD Bank for the purpose of implementation of Rupiah and Yen LCS.

10. Underlying Transaction means all economic activities that underlie Rupiah and Yen LCS implementation.

11. Financing means financing provided by ACCD Bank to LCS customer in Indonesia and Japan.

12. Indonesian LCS Customer means a party who conducts Underlying Transactionwith Japanese LCS customer.

13. Japanese LCS Customer means a party who conductsUnderlying Transaction with Indonesian LCS Customer.

14. Financial Transaction means a transaction in rupiah or foreign currency against yen.

15. Corporate Action means merger, consolidation, spin off, and/or integration.

16. Merger means a legal action conducted by one or more Banks to merge with another existing Bank, which causesthe transfer of merging Bank's assets, liabilities, and equities, by operation of law, to the surviving Bank and thereafter, the legal entity status of the merging Bank ceases by operationof law.

17. Consolidation means a legal action conducted by twoor more Banks to consolidate themselves by establishing a new Bank, which by operation of law obtains the assets, liabilities, and equities, from the consolidating Banks, and the legal entity status of the consolidating Banks ceases by operation of law.

18. Spin off means a legal action conducted by a Bank to separate its businesses, which causes all of the Bank's assets, liabilities, and equities, legally transferred to two or more Banks, or part of the Bank's assets, liabilities, and equities, legally transferred to one or more Banks.

19. Integration means a legal action conducted by a branch office of bank domiciled overseas and Bank by transferring assets and/or liabilities of the branch office of bank domiciled overseas by law to the Bank, and the business license of the branch office of bank domiciled overseas is revoked.

20. Day means a business day.

CHAPTER II
INDONESIAN ACCD BANK

Part One
Criteria for Appointment of Indonesian ACCD Bank

Article 2

Appointment of a Bank as Indonesian ACCD Bank is conducted by considering these criteria:

a. the Bank's health condition;

b. the Bank's ability to facilitate financial activities and financial transactions between Indonesia and Japan;

c. the Bank's ability to establish business relation with banks in Japan;

d. the Bank's office access in Indonesia; and

e. other criteria determined by Bank Indonesia and authority of Japan.

Part Two

Mechanism of Appointment of Indonesian ACCD Bank

Article 3

(1) Mechanism of appointment of a Bank as Indonesian ACCD Bank by Bank Indonesia is applied at least as follows:

a. the potential Indonesian ACCD Bank submits an application letter to Bank Indonesia, as specified in the example in Appendix I which constitutes as an integral part of this Regulation of Member of Board of Governors;

b. Bank Indonesia processes the application from the potential Indonesian ACCD Bank; and

c. Bank Indonesia approves the appointment of Bankas Indonesian ACCD Bank.

(2) The application letter from the candidate Indonesian ACCD Bank to Bank Indonesia as referred to in paragraph (1) point a must at least contain a statement of intent and readiness to become Indonesian ACCD

Bank which completed with information on the candidate of partner of Indonesian ACCD Bank in Japan.

CHAPTER III

FINANCIAL ACTIVITIES

FOR THE PURPOSE OF LCS IMPLEMENTATION

Part One

Opening of Rupiah SNA and Yen SNA

Article 4

(1) The Indonesian ACCD Bank accepts the opening of Rupiah SNA from the Japanese ACCD Bank.

(2) The Indonesian ACCD Bank may only accept the opening of 1 (one) Rupiah SNA from each Japanese ACCD Bank (one-to-many relationship).

Article 5

(1) The Indonesian ACCD Bank opens Yen SNA at Japanese ACCD Bank.

(2) The Indonesian ACCD Bank may only open 1 (one) Yen SNA at each Japanese ACCD Bank (one-to-many relationship).

Article 6

(1) Aggregate balance of Rupiah SNA of each Japanese ACCD Bank at Indonesian ACCD Bank is limited to the highest amount of Rp1,000,000,000,000 (one trillion rupiah) at the end of the Day.

(2) Indonesian ACCD Bank monitors and ensures that the Rupiah SNA balance does not exceed the amount as referred to in paragraph (1) at the end of the Day.

(3) Rupiah SNA balance may exceed the amount as referred to in paragraph (1) at the end of the Day provided that Indonesian ACCD Bank receives the document from Japanese ACCD Bank evidencing that the excessive Rupiah SNA balance will be used to pay any of the following:

a. Underlying Transaction between Indonesia and Japan; or

b. investment in financial instruments in rupiah.

on the following Day.

Part Two

Opening of Yen Sub-SNA

Article 7

(1) Indonesian ACCD Bank accepts opening of Yen Sub-SNA for Indonesian LCS Customer for the purpose of implementation of Rupiah and Yen LCS.

(2) Indonesian ACCD Bank can not accept the opening of Yen Sub-SNA for Indonesian non ACCD Bank or any party other than Indonesian LCS Customer.

(3) Indonesian ACCD Bank gives interest for Yen Sub-SNA.

(4) The interest of Yen Sub-SNA as referred to in paragraph (3) is determined based on the policy of each Indonesian ACCD Bank.

Part Three

Management of Yen SNA Balance

Article 8

(1) For the purpose of management of Yen SNA balance, Indonesian ACCD Bank may undertake transactions including:

    a.   investment in financial instruments in yen in Japan;

    b.   swap transaction in yen against rupiah or foreign currency with another Indonesian ACCD Bank and/or with Japanese ACCD Bank; and/or

    c.   conversion from yen to rupiah or another foreign currency through spot and/or forward transactions.

(2)   The investment as referred to in paragraph (1) point a is prohibited in the form of any of the following placement in a bank in Japan:

    a. deposit;

    b. savings;

    c. deposit certificate; or

    d. any other equivalent form.

(3)   In the event that Indonesian ACCD Bank makes an investment in financial instruments in yen in Japan, the principal and yield of such investment may be transferred back to Yen SNA.

Part Four

Management of Balance of Yen Sub-SNA and Balance of Rupiah Sub-SNA

Part 1

Management of Yen Sub-SNA Balance

Article 9

(1) For the purpose of management of Yen Sub-SNA balance, Indonesian LCS Customer may undertake an investment in financial instruments in yen in Japan, except in the following forms:

    a. deposit;

    b. savings;

    c. deposit certificate; or

    d. any other equivalent form.

(2) The principal and yield of investments as referred to in paragraph (1) may be transferred back to the Yen Sub-SNA owned by Indonesian LCS Customer.

Part 2

Management of Rupiah Sub-SNA Balance

Article 10

(1) For the purpose of management of Rupiah Sub-SNA balance, Japanese LCS Customer may undertake an investment in financial instruments in rupiah in Indonesia, except in the following forms:

    a. deposit;

    b. savings;

    c. deposit certificate; or

    d. any other equivalent form.

(2) Investments as referred to in paragraph (1) is conducted by Indonesian ACCD Bank based on an order from Japanese LCS Customer through Japanese ACCD Bank.

(3) The principal and yield of investments as referred toin paragraph (1) may be transferred back to the Rupiah Sub-SNA owned by Japanese LCS Customer.

Article 11

Cash deposit and cash withdrawal in rupiah from Rupiah Sub-SNA can not be conducted in Japan.

Part Five

Fund Transfer

Article 12

(1) Indonesian ACCD Bank may transfer in rupiah as follows:

a. between Rupiah SNA; and/or

b. from a Rupiah SNA to Rupiah non SNA at ACCD Bank or non-ACCD Bank.

(2) The transfer in rupiah as referred to in paragraph (1) is conducted only for the purpose of transaction settlement in LCS framework.

Article 13

For the purpose of implementation of Rupiah and Yen LCS, the Bank which receives fund in rupiah from:

a.   Japanese ACCD Bank; or

b.   Indonesian ACCD Bank,

to a Rupiah account owned byJapanese non ACCD Bank, must be based on Underlying Transaction between Indonesia and Japan.

Part Six

Financing

Article 14

(1)   Indonesian ACCD Bank may provide Financing in yen to Indonesian LCS Customer.

(2)   The Financing as referred to in paragraph (1) may take the following forms:

a.   trade financing; and/or

b.   investment financing.

(3)   The Financing as referred to in paragraph (2) has Underlying Transaction as follows:

a.   Underlying Transaction for trade financing includes all trade of goods and services; and

    b.   Underlying Transaction for investment financing includes all activities of direct investment.

(4) The provision fund in yen for Financing as referred to in paragraph (1) is provided through:

    a.   transactions in rupiah or foreign currency against yen through swap transactions with another Indonesian ACCD Bank and/or Japanese ACCD Bank; and/or

    b.   direct borrowing in yen from another Indonesian ACCD Bank and/or Japanese ACCD Bank.

Article 15

(1) The Financing provided in yen as referred to in Article 14 may use Underlying Transaction documents denominated in any currency other than yen.

(2) The Financing using Underlying Transactions demoninated in any currency other than yen as referred to in paragraph (1) must be stated in a yen equivalent and paid in yen.

Article 16

To provide Financing facility in rupiah by a Japanese ACCD Bank toJapanese LCS Customer, Indonesian ACCD Bank may conduct:

a. transactions in yen or foreign currency against rupiah through swap transactions with Japanese ACCD Bank; and/or

b. placement in rupiah to Japanese ACCD Bank.

Article 17

(1) The direct borrowing as referred toin Article 14 paragraph (4) point b is required to haveUnderlying Transaction which is proven by Financing documents.

(2) The amount of direct borrowing as referred to in Article 14 paragraph (4) point b and the placement in rupiah as referred to in Article 16 point b is prohibited toexceed the nominal amount of Underlying Transaction.

(3) The term of direct borrowing as referred to in Article 14 paragraph (4) point b and the placement in rupiah as referred to in Article 16 pointb is prohibited to exceed the term ofUnderlying Transaction and is prohibited to exceed the term of 1 (one) year.

(4) Indonesian ACCD Bank must monitor to ensure that the nominal amount and term of:

a. the direct borrowing as referred to in Article 14 paragraph (4) point b; and

b. the placement in rupiah as referred to in Article 16 point b, does not exceed the nominal amount of

Underlying Transaction, the term ofUnderlying Transaction, and the term of 1 (one) year.

CHAPTER IV

FINANCIAL TRANSACTIONS OF INDONESIAN ACCD BANK

Part One

Transaction in Rupiah against Yen

Article 18

(1) For the purpose of implementation of Rupiah and Yen LCS, Indonesian ACCD Bank may undertaketransactions in rupiah against yen as follows:

a. spot transactions;

b. forward transactions;

c. swap transactions; and/or

d. other transactions determined based on agreement between Bank Indonesia and the Japanese authority.

(2) The transaction in rupiah against yen as referred to in paragraph (1) can be conducted by Indonesian ACCD Bank with:

a. another Indonesian ACCD Bank;

b. Japanese ACCD Bank;

c. Indonesian LCS Customer;

d. Indonesian non ACCD Bank which acts forIndonesian LCS Customer interest; and/or

e. Japanese non ACCD Bank for squaring position interest.

Part 1

Transaction in Rupiah against Yen among ACCD Bank

Article 19

(1) Indonesian ACCD Bank may undertake transaction in rupiah against yen as referred to in Article 18 paragraph (1) with:

a. another Indonesian ACCD Bank; and/or

b. Japanese ACCD Bank,

for the purpose of implementation of liquidity management.

(2) The transaction in rupiah against yen for the activities as referred to in paragraph (1) can be conducted without Underlying Transaction.

Part 2

Transaction in Rupiah against Yen

between Indonesian ACCD Bank and Indonesian LCS

Customer

Article 20

(1) Indonesian ACCD Bank may undertake transaction in rupiah against yen as referred to in Article 18 paragraph (1) with:

a. Indonesian LCS Customer; or

b. Indonesian non ACCD Bank which acts forIndonesian LCS Customer interest.

(2) The transaction in rupiah against yen as referred to in paragraph (1) in the form of spot or forward in nominal amount higher than the equivalent to USD25,000.00 (twenty-five thousand US dollars) per transaction is required tobe provenwith Underlying Transaction documents.

(3) The nominal amount and term of transaction in rupiah against yen as referred to in paragraph (1) is prohibited to exceed the nominal amount and the term of the Underlying Transaction.

(4) Indonesian LCS Customer may undertake the transaction in rupiah against yen as referred to in

paragraph (1) by using Underlying Transactions denominated in any currency other than yen.

Part Two

Squaring Position

Article 21

(1) Indonesian ACCD Bank may undertake transaction in rupiah against yen as referred toin Article 18 paragraph (1) with:

a. Indonesian ACCD Bank;

b. Japanese ACCD Bank;

c. Indonesian non ACCD Bank which acts for Indonesian LCS Customer interest; and/or

d. Japanese non ACCD Bank based on Underlying Transaction which conduct by Indonesian LCS Customer,

for the purpose of implementation of squaring position.

(2) Indonesian ACCD Bank may conduct squaring position as referred to in paragraph (1) on transaction in rupiah against yen inthe following manner:

a. net basis or gross basis with:

1. Indonesian ACCD Bank; and/or

2. Japanese ACCD Bank,

without Underlying Transaction document; or

b.   gross basis with:

    1.   Indonesian non ACCD Bank; and/or

    2.   Japanese non ACCD Bank;

which is required to be proven by Underlying Transaction documents.

Article 22

(1) For the implementation of squaring position from Japanese ACCD Bank, Indonesian ACCD Bank may undertake transactions in yen against rupiah as follows:

a.   spot transactions;

b.   forward transactions; and/or

c.   swap transactions.

(2) Indonesian ACCD Bank may undertake transactions for implementation of squaring position from Japanese ACCD Bank as referred toin paragraph (1) inthe following manner:

a.   net basis; or

b.   gross basis.

(3) The implementation of squaring position as referred to in paragraph (1) is conducted without Underlying Transaction documents.

Part Three

Adjustment to Financial Transaction Settlement

Article 23

(1) The transactions in rupiah against yen as referred to in Article 18 paragraph (1) may be adjusted in the following forms:

    a. rollover transactions;

    b. early termination; and/or

    c. unwind/cancel up.

(2) The transactions as referred to in paragraph (1) may only be adjusted through transferring principal fund by netting.

(3) Example of the transaction adjustment as referred to in paragraph (1) is specified in Appendix II which constitutes as an integral part of this Regulation of Member of Board of Governors.

Article 24

(1) Rollover transactions, early termination, and/or unwind/cancel up as referred to in Article 23 paragraph (1) can be conducted without Underlying Transaction documents.

(2) The nominal amount of transaction for adjustment of the following forms:

a. rollover transactions;

b. early termination; and/or

c. unwind/cancel up,

shall be at the maximum equal to the nominal amount of the Underlying Transaction.

(3) The term of transaction for adjustment in the following forms:

a. rollovertransactions;

b. early termination; and/or

c. unwind/cancel up,

is conducted according to the term of the Underlying Transaction.

(4) Rollover transactions, early termination, and unwind/cancel up, conducted by Indonesian ACCD Bank as referred to in paragraph (1), must be conducted with the same Japanese ACCD Bank or Japanese non ACCD Bank under the initial transaction contract.

Part Four

Settlement of Transactions in Rupiah against Yen

Article 25

(1) Settlement of transactions in rupiah against yen conducted by Indonesian ACCD Bank with:

       a. another Indonesian ACCD Bank as referred to in Article 19 paragraph (1) point a; and

       b. Indonesian LCS Customer as referred to in Article 20 paragraph (1) point a,

can be conducted through transferring the principal fund by gross or netting.

(2) Settlement of transactions in rupiah against yen conducted by Indonesian ACCD Bank with Indonesian non ACCD Bank as referred to in Article 20 paragraph (1) pointb is conducted through transferring the principal fund by gross.

(3) The settlement of transactions in rupiah against yen by netting as referred toin paragraph (1) is applicable only for adjustment in the following manner:

a. rollover transactions;

b. early termination; and/or

c. unwind/cancel up,

as referred to in Article 23 paragraph (1).

CHAPTER V

NON-DELIVERABLE FORWARD TRANSACTIONS

Article 26

Indonesian ACCD Bank is prohibited to conduct non-deliverable forward (NDF) transaction in rupiah against yen

as specified in Bank Indonesia provisions on domestic non-deliverable forward (DNDF) transactions.

CHAPTER VI

UNDERLYING TRANSACTIONS

Part One

Types of Underlying Transactions

Article 27

Underlying Transactions for the purpose of LCS implementation are as follows:

a. current account transactions between Indonesian LCS Customer and Japanese LCS Customer inthe following forms:

    1. all trade of goods and services between Indonesia and Japan;

    2. all primary income transactions including:

        a) receipt and payment transactions of employee compensation; and

        b) investment income from:

            1) direct investment;

            2) portfolio investment; and/or

            3) other investments; and

3. all secondary income transactions including:

    a) receipt and payment in government sector;

    b) receipt and payment in other sectors, including remittance; and

    c) other similar transactions,

    but excluding grant, gift, donation, and/or the similar;

b. all direct investment activities between Indonesian LCS Customer and Japanese LCS Customer are inthe following forms:

    1. investment betweenIndonesian LCS Customer and Japanese LCS Customer with minimum equity ownership of 10% (ten percent); or

    2. intercompany loan in the same group; or

c. other Underlying Transactions.

Part Two

Underlying Transaction Documents

Article 28

(1) Underlying Transaction documents may be in the following forms:

a. final Underlying Transaction documents; or

b. anticipatory basis Underlying Transaction documents.

(2) Details of Underlying Transaction documents as referred to in paragraph (1) are specified in Appendix III which constitutes as an integral part of this Regulation of Member of Board of Governors.

Article 29

(1) The anticipatory basis Underlying Transaction documents as referred to in Article 28 point b are allowed only for current account transactions.

(2) The anticipatory basis Underlying Transactions as referred to in paragraph (1) is calculated based on the incomeplan or payment requirement plan of current account transactions for a maximum period of 1 (one) year.

(3) Term of transaction by using anticipatory basis Underlying Transaction documents as referred to in paragraph (1) may not exceed 1 (one) year since the transaction date.

(4) Nominal amount of transaction by using anticipatory basisUnderlying Transaction documents as referred to in paragraph (1) may not exceed the nominal amount of income plan or payment requirement of current account transactions.

(5) The anticipatory basis Underlying Transaction documents as referred to in paragraph (1) are calculated on gross basis.

Part Three

Underlying Documents for Transactions in Rupiah against Yen

Article 30

(1) Transactions in rupiah against yen in the form of spot by Indonesian ACCD Bank with:

a. Indonesian LCS Customer; or

b. Indonesian non ACCD Bank which acts forIndonesian LCS Customer interest,

as referred to in Article 20, must be proven by final Underlying Transaction documents.

(2) Transactions in rupiah against yen in the form of forward and swap by Indonesian ACCD Bank with:

a. Indonesian LCS Customer; or

b. Indonesian non ACCD Bank which acts forIndonesian LCS Customer interest,

as referred to in Article 20, must be proven by final Underlying Transaction documents or anticipatory basis Underlying Transaction documents.

(3)   The final or anticipatory basis Underlying Transaction documents as referred toin paragraph (1) and paragraph (2) are required to be received by Indonesian ACCD Bank not later than the settlement date.

Part Four

Underlying Transaction Documents for Financing

Article 31

(1)   The Financing provided by Indonesian ACCD Bank as referred to in Article 14 is required to be proven by final Underlying Transaction documents from Indonesian LCS Customer.

(2)   Indonesian ACCD Bank must ensure that the final Underlying Transaction documents as referred to in paragraph (1) are in accordance with the Financing purposes.

CHAPTER VII

PRICE QUOTATION

Article 32

(1)   In conducting the spot and/or forward transactions as referred toin Article 8 paragraph (1) point c, Article 18

paragraph (1) point a and point b, and Article 22 paragraph (1) point a and point b, Indonesian ACCD Bank is required to issue and display the direct quotation of yen against rupiah in an information provider.

(2) Directquotation in yen against rupiah is issued and displayed in an information providera at least once a Day.

(3) The direct quotation as referred toin paragraph (1) must:

   a. reflects the fair price in the foreign currency market; and

   b. be hittable.

(4) Indonesian ACCD Bank uses the direct quotation as referred to in paragraph (1) as a reference in conducting transactions in yen against rupiah.

CHAPTER VIII

EVALUATION AND TERMINATION OF APPOINTMENT

INDONESIAN ACCD BANK

Article 33

(1) Bank Indonesia may terminate an appointment of Bank asIndonesian ACCD Bank.

(2) The termination of appointment of Bank as Indonesian ACCD Bank as referred to in paragraph (1) may be conducted:

    a.   based on the joint evaluation result of Bank Indonesia and the Japanese authority;

    b.   in the event that the business license of the Indonesian ACCD Bank is revoked by the authorized authority;

    c.   in the event that the Indonesian ACCD Bank executes a Corporate Action and the Indonesian ACCD Bank is not the result of Corporate Action; or

    d.   based on request of the Indonesian ACCD Bank.

(3) Indonesian ACCD Bank which:

    a.   is in the process of business license revocation as referred to in paragraph (2) point b; or

    b.   plans to execute a Corporate Action as referred toin paragraph (2) point c,

is required to submit a letter of notification to Bank Indonesia with the result of general meeting of shareholders in relation to the planned business license revocation or corporate action.

(4) In the event thatIndonesian ACCD Bank:

    a. has obtained a license, approval, or recommendation from the authority to:

        1. execute a Corporate Action; or

2. conduct self-liquidation; or

b. has its business license been revoked based on the supervision result of the authorized authority,

Indonesian ACCD Bank submits to Bank Indonesia a decree from the authority on a Corporate Action or business license revocation.

(5) In the event that Bank is resulted from a Corporate Action is not Indonesian ACCD Bank and it intends to be Indonesian ACCD Bank, then the Bank is required to meet the criteria as Indonesian ACCD Bank as referred toin Article 2 and submit an application of appointment as Indonesian ACCD Bank as referred to in Article 3 paragraph (2).

(6) Example of the written notification letter as referred to inparagraph (3) is specified in Appendix V which constitutes as an integral part of this Regulation of Member of Board of Governors.

Article 34

(1) The evaluation of Indonesian ACCD Bank as referred to in Article 33 paragraph (2) point a is conducted by Bank Indonesia in coordination with the Japanese authority.

(2) The evaluation as referred toin paragraph (1) is conducted by considering business development of Indonesian ACCD Bank for the purpose of

implementation of Rupiah and Yen LCS and its compliance with Bank Indonesia provisions on Rupiah and Yen LCS.

Article 35

(1) Bank Indonesia informs in writing on termination of appointment of Bank as Indonesian ACCD Bank to Indonesian ACCD Bank hereof, based on the considerations as referred to in Article 33 paragraph (2).

(2) Indonesian ACCD Bank, which has received termination letter of appointment as ACCD Bank, may not conduct financial activities and transactions for the purpose of implementation of Rupiah and Yen LCS.

(3) Indonesian ACCD Bank, which has received termination letter of appointment as ACCD Bank, must immediately notify its customers of:

    a. termination of its activities as Indonesian ACCD Bank; and

    b. mechanism of settlement of customer's rights and obligations in relation to:

        1. closing of Yen SNA and/or Yen Sub-SNA;

        2. settlement of Financing; and

        3. other matters in relation to the Bank's transactions with Indonesian LCS Customers

for the purpose of implementation of Rupiah and
Yen LCS.

CHAPTER IX

REPORTING PROCEDURE

Part One

Report Preparation

Article 36

Indonesian ACCD Bank is required to prepare and submit
periodic reports and incidental reports in relation tothe
implementation of Rupiah and Yen LCS to Bank Indonesia.

Article 37

(1)   The periodic reports as referred toin Article 36 include
      forms of:

      a.   foreign currency transactions;

      b.   open position of yen transactions in Yen SNA;

      c.   position of Yen SNA balance;

      d.   fund transfer;

      e.   position of balance and transaction history of Yen
           Sub-SNA;

      f.   position of Financing; and

g. balance and transaction history of Rupiah SNA owned by Japanese ACCD Bank.

(2) The reports as referred to in paragraph (1) constitute data within 1 (one) reporting period namely from the first date until the last date of the corresponding month.

Article 38

The incidental reports as referred to in Article 36 take the form of:

a. balance and transaction history of Rupiah Sub-SNA owned by Japanese LCS Customerat the Japanese ACCD Bank; and

b. other reports if deemed necessary.

Article 39

Preparation of the periodic reports as referred toin Article 37 paragraph (1) and incidental reports as referred to in Article 38 refers to Appendix IV which constitutes as an integral part of this Regulation of Member of Board of Governors.

Article 40

(1) The periodic reports as referred to in Article 37 are prepared and compiled in 1 (one) file as specified in the format in Appendix IV.

(2) In the event that there is no transaction and/or position for each form as referred to in Article 37 within 1 (one) reporting period, then the report must be submitted in the form of header.

Part Two

Report Correction

Article 41

(1) In the event that there is any mistake in the report submitted byIndonesian ACCD Bank to Bank Indonesia, Indonesian ACCD Bank is required to submit correction to thatmistake.

(2) The report correction as referred to in paragraph (1) is submitted in 1 (one) file as referred to in Article 37.

Part Three

Report Submission

Article 42

(1) The report as referred to in Article 36 and/or report correction as referred to in Article 41 must be submitted to Bank Indonesia not later than the fourteenth day of the following month.

(2) In the event that the fourteenth day as referred to in paragraph (1) falls on Saturday, Sunday, or national holiday determined by the government, then the report and/or report correction mustbe submitted on the following Day.

(3) The report and/or report correction as referred to in paragraph (1) must be submitted not later than 16.00 West Indonesia Time.

(4) In the event that any mistake is found in the report of Indonesian ACCD Bank after the time limit as referred to in paragraph (1) and paragraph (2), the Indonesian ACCD Bank must remain to submit the report correction.

Part Four

Technical Failure and Force Majeure

Part 1

Technical Failure

Article 43

(1) In the event that Indonesian ACCD Bank is experiencing technical failure in its report submission, the Indonesian ACCD Bank must immediately submit a

written notification thereof to Bank Indonesia which completedwith supporting evidence.

(2) In the event that Indonesian ACCD Bank is experiencing technical failure in its submission of report and/or report correction on the final submission date, then the report and/or report correction mustbe submitted on the following Day after the technical failure is resolved.

(3) Indonesian ACCD Bank is declared to have submitted its report and/or report correction on the date when the report and/or report correction is received upon obtaining notification from Bank Indonesia by an email.

Part 2

Force Majeure

Article 44

(1) In the event that Indonesian ACCD Bank is experiencing force majeure in its report submission, the Indonesian ACCD Bank must immediately submit a written notification thereof to Bank Indonesia which completed with supporting evidence.

(2) The obligation of report submission as referred to in Article 36 and/or report correction as referred to in Article 41 and report submission after the technical

failure as referred to in Article 43 paragraph (2), are exempted for Indonesian ACCD Bank which is experiencing force majeure.

(3) Indonesian ACCD Bank which is experiencing force majeure as referred to in paragraph (2) must submit its report and/or report correction not later than 5 (five) Days after the Indonesian ACCD Bank is able to resume its normal operational activities.

Part Five

Report Evaluation

Article 45

(1) Indonesian ACCD Bank is deemed to submit an incomplete report and/or report correction if Indonesian ACCD Bankdoes not submit all reports as referred to in Article 36 and/or report correction as referred to in Article 41 until the deadline as referred to in Article 42, Article 43 paragraph (2), or Article 44 paragraph (3).

(2) Indonesian ACCD Bank is deemed to does not submitits report and/or report correction if Bank Indonesia does not receive its report and/or report correction until the deadline as referred to in Article 42, Article 43 paragraph (2), or Article 44 paragraph (3).

CHAPTER X

CORRESPONDENCE

Article 46

(1) Correspondences for appointment of Indonesian ACCD Bank, implementation of Rupiah and Yen LCS, and termination of appointment of Indonesian ACCD Bank are addressed to:

Department of Financial Market Development

Bank Indonesia

Jalan MH. Thamrin Number 2

Central Jakarta – 10350

Email: DPPK-APValas@bi.go.id and

DPPK-PP@bi.go.id

(2) Correspondences for reports are addressed to:

Department of Report Management and Compliance

Bank Indonesia

Jalan MH. Thamrin Number 2

Central Jakarta – 10350

Email: laporan_accd@bi.go.id

(3) The report and/or report correction is submitted offline if the online reporting system is unavailable.

(4) Online reporting must follow Bank Indonesia provisions on integrated commercial bank reporting.

(5) In the event that there is change on correspondence addresses as referred to in paragraph (1) and paragraph (2), Bank Indonesia will inform such change by letter and/or other media.

CHAPTER XI
SANCTION IMPOSITION MECHANISM

Article 47

(1) Bank Indonesia imposes written warning toIndonesian ACCD Bank which breaches any provisions of Bank Indonesia Regulation on settlement for bilateral transactions using local currenciesthrough bank.

(2) The written warning as referred to in paragraph (1) is delivered by letter with the copy of which is sent to the relevant authority.

CHAPTER XII
CLOSING PROVISIONS

Article 48

This Regulation of Board of Governors comes into force on the date of its issued.

In order that every person may know hereof, it is ordered to promulgated this Regulation of Member of Board of Governors by its placement in State Gazette of the Republic of Indonesia.

Issued in Jakarta

on 28 August 2020

MEMBER OF BOARD OF GOVERNORS,

SIGNED

DESTRY DAMAYANTI

ELUCIDATION

REGULATION OF MEMBER OF BOARD OF GOVERNORS

NUMBER 22/20/PADG/2020

ON

SETTLEMENT FOR BILATERAL TRANSACTIONS BETWEEN INDONESIA AND JAPAN USING RUPIAH AND YEN THROUGH BANK

I. GENERAL

Bank Indonesia and the Japanese authority have made an agreement to promote the use of rupiah and yen for bilateral transaction settlement between Indonesia and Japan. It is part of an effort to reduce dependency on a certain currency, which is expected to be able to support the performance of Bank Indonesia's task to maintain exchange rate stability.

To support implementation of the agreement, Bank Indonesia has issued Bank Indonesia Regulation Number 22/12/PBI/2020 on Settlement For Bilateral Transactions Using Local Currencies Through Bank.

As an implementing guideline for the provisions, a regulation is required on implementation of financial activities and transactions under the scheme of Local Currency Settlement using Rupiah and Yen.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear

Article 3

Sufficiently clear.

Article 4

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Example:

Bank A which is an Indonesian ACCD Bank may accept the opening of 1 (one) Rupiah SNA from Bank B and 1 (one) Rupiah SNA from Bank C respectively, both of which are Japanese ACCD Banks.

Article 5

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Example:

Bank X which is Indonesian ACCD Bank may accept the opening of 1 (one) Yen SNA at Bank Y and 1 (one) Yen SNA at Bank Z respectively, both of which are Japanese ACCD Banks.

Article 6

Paragraph (1)

Example:

Bank X which is a Japanese ACCD Bank may open Rupiah SNA at Bank A, Bank B, and Bank C respectively, all three of which are Indonesian ACCD Banks, with aggregate balance at Bank A, Bank B, and Bank C is limited to the highest amount of Rp1,000,000,000,000.00 (one trillion rupiah) at the end of the Day.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Example:

Bank X which is a Japanese ACCD Bank has Rupiah SNA at Bank A and Bank B respectively, both of which are Indonesian ACCD Banks. At the end of the Day on 1 August 2020, Bank X's Rupiah SNA balance at Bank A and Bank B amounts to Rp1,200,000,000,000.00 (one trillion two hundred billion rupiah). The Rupiah SNA balance may exceed Rp1,000,000,000,000.00 (one trillion rupiah) provided that Bank X submits documents to

an Indonesian ACCD Bank which will make the transaction when the Rupiah SNA balance exceeds the limit with information that the excess balance will be used to:

a. pay import liabilities to an exporter in Indonesia;

b. make direct investment; or

c. make an investment in financial instruments in rupiah,

on the following Day.

Article 7

Sufficiently clear.

Article 8

Paragraph (1)

Point a

Example:

To manage Yen SNA Balance, Bank A which is an Indonesian ACCD Bank buys Japanese sovereign bond/securities at a price of JPY1,000,000.00 (one million yen).

Point b

Example:

To manage Yen SNA Balance, Bank A which is an Indonesian ACCD Bank makes a JPY/IDR or JPY/USD swap transaction in the amount of JPY1,000,000.00 (one million yen) with Bank B which is an Indonesian ACCD Bank or with Bank X which is a Japanese ACCD Bank.

Point c

Spot transactions include today and tomorrow transactions.

Example:

To manage Yen SNA Balance, Bank C which is an Indonesian ACCD Bank converts yen to rupiah in the amount of JPY1,000,000.00 (one million yen) through a spot transaction.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Example:

Bank A which is an Indonesian ACCD Bank makes an investment in Japanese sovereign securities in amount of JPY30,000,000.00 (thirty million yen) with a coupon of 3% (three percent) per annum. Based on the investment, at the maturity date of coupon payment, Bank A receives a coupon in the amount of JPY225,000.00 (two hundred twenty-five thousand yen). The coupon value may be transferred to the Yen SNA owned by Bank A.

Article 9Paragraph (1)

Sufficiently clear.

Paragraph (2)

Example:

Customer A which is an Indonesian LCS Customer intends to sell shares in amount of JPY1,000,000.00 (one million yen). The fund from the share sale may be transferred back to the Yen Sub-SNA at an Indonesian ACCD Bank.

Article 10

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Example:

Bank A which is an Indonesian ACCD Bank, takes an order from Customer X which is a Japanese LCS Customer through Bank B, which is a Japanese ACCD Bank, to make an investment in the form of stock purchase in Indonesia in the amount of Rp100,000,000,000.00 (one hundred billion rupiah) using Rupiah Sub-SNA balance.

Paragraph (3)

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Paragraph (1)

Non-Rupiah SNA includes the rupiah account owned by a Bank or an Indonesian LCS Customer.

Paragraph (2)

Sufficiently clear.

Article 13

Example 1:

Bank Z which is a Japanese non ACCD Bank conducts an IDR/JPY buy spot transaction in amount of Rp700,000,000.00 (seven hundred million rupiah) with Bank Y which is a Japanese ACCD Bank for the interest of importer X, which is an LCS Customer in Japan, for payment of imported goods to an Indonesian exporter.

On the maturity date, Bank Y will transfer rupiah fund in the

amount of Rp700,000,000.00 (seven hundred million rupiah) to the rupiah account of Bank Z at a Bank in Indonesia using an Underlying Transaction in the form of an invoice for goods purchase by importer X.

Example 2:

Importer D in Indonesia conducts a JPY/IDR buy spot transaction to Bank A, which is an Indonesian ACCD Bank in amount of JPY5,000,000.00 (five million yen) for payment of imported goods to Japanese exporter or investment in Japan.

For this position Bank A conducts squaring position with Bank Z which is aJapanese non ACCD Bank in the form of a JPY/IDR buy spot transaction in the amount of JPY5,000,000.00 (five million yen) at a JPY/IDR exchange rate of 140.

On the maturity date Bank A will transfer rupiah fund in amount of Rp700,000,000.00 (seven hundred million rupiah) to the rupiah account of Bank Z at a Bank in Indonesia using an Underlying Transaction in the form of an invoice for goods purchase by importer D.

Article 14

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Financing may be provided by using fund in yen owned by Indonesian ACCD Bank.

Point a

Sufficiently clear.

Point b

The term of "direct borrowing" means borrowing of Indonesian ACCD Bank from another Indonesian ACCD Bank or Japanese ACCD Bank.

Article 15

Paragraph (1)

Example:

An Indonesian LCS Customer conducts a purchase of goods or investment in the amount of USD100,000.00 (one hundred thousand US dollar) from a Japanese LCS Customer.

An Indonesian LCS Customer opens a letter of credit at Bank A which is an Indonesian ACCD Bank to pay an invoice from an LCS Customer in Japan in amount of USD100,000.00 (one hundred thousand US dollar) or equivalent to JPY10,800,000.00 (ten million eight hundred thousand yen).

Based on the invoice, the Indonesian LCS Customer may conducts a USD/JPY buy spot transaction using financing facility fund in the amount of JPY10,800,000.00 (ten million eight hundred thousand yen).

Paragraph (2)

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Paragraph (1)

Point a

Spot transactions include today and tomorrow transactions.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Article 19

Paragraph (1)

Included in liquidity management is the management of Rupiah SNA balance.

Paragraph (2)

Sufficiently clear.

Article 20

Paragraph (1)

Point a

Sufficiently clear.

Point b

The term of "Indonesian non ACCD Bank" means a Bank in Indonesia which is not an ACCD Bank.

Paragraph (2)

Example:

Bank B which is an Indonesian non ACCD Bank, for the interest of importer A which is an Indonesian LCS Customer intending to conduct payment of goods purchase to an exporter in Japan, conduct a JPY/IDR buy through a spot transaction in amount of JPY10,000.00 (ten thousand yen) to Bank C which is an Indonesian ACCD Bank.

Such JPY/IDR buy is not required to be evidenced by Underlying Transaction document from importer A

Paragraph (3)

Example:

Importer B which is an Indonesian LCS Customer, has a liability under a sales contract to an exporter in Japan which will be due within 1 (one) month in the amount of JPY5,000,000.00 (five million yen) or equivalent to USD47,000.00 (forty-seven thousand US dollar).

Based on the Underlying Transaction, importer B may conduct a JPY/IDR buy through a forward transaction at the highest amount of JPY5,000,000.00 (five million yen) and at the maximum term of 1 (one) month.

Paragraph (4)

Example:

Importer C which is an Indonesian LCS Customer intends to pay an invoice from exporter X which is a Japanese LCS Customer in the amount of USD100,000.00 (one hundred thousand US dollar) or equivalent to JPY10,800,000.00 (ten million eight hundred thousand yen) at a USD/JPY exchange rate of 108. Based on the invoice, importer C may conduct a JPY/IDR buy spot transaction in the amount of JPY10,800,000.00 (ten million eight hundred thousand yen).

Article 21

Paragraph (1)

The term of "squaring position" means a transaction conducted by an Indonesian ACCD Bank to nullify an open position arising from the previous transaction.

Example:

Bank B which is an Indonesian ACCD Bank has a short position in yen of JPY10,000,000.00 (ten million yen), may conduct squaring position with Bank X which is a Japanese ACCD Bank in the form of a JPY/IDR buy forward transaction in the amount of JPY10,000,000.00 (ten million yen) without any Underlying Transaction document.

Paragraph (2)

Squaring position is conducted by an Indonesian ACCD Bank on the transaction in rupiah against yen, which is among others conducted with an Indonesian LCS Customer and/or a non-Indonesian non ACCD Bank.

Point a

Example:

Importer A which is an LCS customer in Indonesia conducts a JPY/IDR buy to Bank B which is an Indonesian ACCD Bank, through a spot transaction in the amount of JPY10,000,000.00 (ten million yen). Subsequently, exporter B which is an Indonesian LCS Customer conducts JPY/IDR sell through a spot transaction in the amount of JPY7,000,000.00 (seven million yen) to Bank B. Based on the transaction, Bank B may conduct squaring position on a net basis by conducting a JPY/IDR buy to another ACCD Bank in the amount of JPY3,000,000.00 (three million yen) as the difference of JPY10,000,000.00 (ten million yen) and JPY7,000,000.00 (seven million yen) without any Underlying Transaction document.

Point b

Example:

Importer C which is an Indonesian LCS Customer conducts a JPY/IDR buy spot to Bank Y, which is an Indonesian ACCD Bank, through a spot transaction in the amount of JPY10,000,000.00 (ten million yen). Exporter B which is an Indonesian LCS Customer conducts JPY/IDR sell through a spot transaction in the amount of JPY7,000,000.00 (seven million yen) to Bank Y. Based on the transaction, Bank Y may conduct squaring position on a gross basis by conducting a JPY/IDR buy spot transaction in the amount of JPY10,000,000.00 (ten million yen) and JPY/IDR sell spot transaction in the amount of JPY7,000,000.00 (seven million yen) with a Japanese non ACCD Bank with Underlying Transaction documents.

Article 22

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Squaring position is conducted by a Japanese ACCD Bank on the open position of the transaction in yen against rupiah, which is among others conducted with a Japanese LCS Customer and/or a Japanese non ACCD Bank.

Example:

Importer A which is a Japanese LCS Customer, conducts an IDR/JPY buy to Bank X, which is Japanese ACCD Bank, through a spot transaction in the amount of Rp1,000,000,000.00 (one billion rupiah).

Subsequently, exporter B, which is a Japanese LCS Customer, conducts IDR/JPY sell through a spot transaction in the amount of Rp600,000,000.00 (six hundred million rupiah) to Bank X. Based on the transaction, Bank X may conduct squaring position on a net basis by conducting IDR/JPY buy to an Indonesian ACCD Bank through a spot transaction in the amount of Rp400,000,000.00 (four hundred million rupiah) which is the difference from Rp1,000,000,000.00 (one billion rupiah) minus Rp600,000,000.00 (six hundred million rupiah).

Paragraph (3)

Sufficiently clear.

Article 23

Sufficiently clear.

Article 24

Sufficiently clear.

Article 25

Paragraph (1)

The term of "netting" means transaction settlement without full transfer of principal fund, resulting in only movement of a certain amount of fund as a result of calculation of transaction nominal amount (notional) with exchange rate difference.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Article 26

The term of "non-deliverable forward transaction" means a forward derivative transaction in overseas whose settlement is conducted without full transfer of principal fund but only transfer of some amount of fund resulting from calculation of transaction nominal amount with exchange rate difference.

Article 27

Point a

Sufficiently clear.

Point b

Point 1

Investment with minimum equity ownership of 10% (ten percent) means long-term investment and excluding to short-term trading of shares.

Point 2

The term of "in the same group" means among others:

a) parent company;

b) headquarter;

c) branch office;

d) subsidiary where an entity has more than 50% (fifty percent) shares in the subsidiary;

e) associate company where an entity has 10% (ten percent) until 50% (fifty percent) shares in the associate company; and

f) sister company where an entity and the sister company have same shareholders (more than 10% (ten percent) of the shareholding).

Point c

Sufficiently clear.

Article 28

Paragraph (1)

Point a

The term of "final Underlying Transaction document" means a legally binding document presenting payment obligation or right to receive payment in a fixed nominal amount.

Pointb

The term of "anticipatory basis Underlying Transaction document" means a document presenting an estimate of payment requirement or income based on historical data.

Paragraph (2)

Sufficiently clear.

Article 29

Paragraph (1)

An anticipatory basis document means documents related to the income plan or payment requirement plan for a current account transaction.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Example:

On 1 August 2020, company A, which is an Indonesian LCS Customer engaged in import and export activities, conducts a JPY/IDR buy forward transaction with a term of 3 (three) months in the amount of JPY10,000,000.00 (ten million yen) to pay import of goods purchased from Japan.

On 1 August 2020, company A also conducts a JPY/IDR sell forward transaction with a term of 3 (three) months in the amount ofJPY2,000,000.00 (two million yen) to sell export proceeds to Japan.

Based on each of the transactions, company A must submits the following Underlying Transaction documents:

1. document on anticipatory import payment in the amount of JPY10,000,000.00 (ten million yen); and

2. document on anticipatory export revenue in the amount of JPY2,000,000.00 (two million yen).

Article 30

Paragraph (1)

Example:

Indonesian ACCD Bank conducts a JPY/IDR spot transaction with an Indonesian LCS Customer or Indonesian non ACCD Bank.

The Indonesian non ACCD Bank must submit an Underlying Transaction document of, among others, a letter of credit or invoice presenting trade or investment transaction between Indonesia and Japan.

Paragraph (2)

Example:

Indonesian ACCD Bank conducts a JPY/IDR forward transaction with an Indonesian LCS Customer.

The Indonesian ACCD Bank must request the Indonesian LCS Customer to submit a final or anticipatory basis Underlying Transaction document.

The final document among others is a letter of credit or invoice.

The anticipatory document is cash flow projection presenting income plan or payment requirement plan.

Paragraph (3)

Example:

Indonesian ACCD Bank conducts a JPY/IDR forward transaction with an Indonesian LCS Customer with a tenor of 1 (one) year on 1 June 2020 for import from Japan.

The Indonesian LCS Customer has the time limit until the settlement date, namely 1 June 2021, to submits the Underlying Transaction Documents, among others are a sales contract between an importer and exporter, invoice for import and/or bill of lading, or an anticipatory basis Underlying Transaction document from the Indonesian LCS Customer, among others is import payment plan within 1 (one) year at the maximum.

Article 31

Sufficiently clear.

Article 32

Paragraph (1)

The term of "direct quotation of yen against rupiah" means spot and forward quotation.

The term of "information provider" among others are the media provided by Refinitiv and Bloomberg.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Point a

Sufficiently clear.

Point b

Hittable quotation is made by referring to the risk management of Indonesian ACCD Bank.

Paragraph (4)

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Paragraph (1)

Bank Indonesia may request input and information from the Japanese authority in evaluating Indonesian ACCD Bank.

Paragraph (2)

Considerations for business development of Indonesian ACCD Bank for implementation of Rupiah and Yen LCS as well as the compliance of Indonesian ACCD Bank with Bank Indonesia provisions for Rupiah and Yen LCS, are obtained among other based on the supervisory result by Bank Indonesia and/or coordination between Bank Indonesia and other relevant authority.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Paragraph (1)

Point a

The term of "foreign exchange transaction" means data on transaction of rupiah and foreign exchange against yen conducted by Indonesian ACCD Bank and another ACCD Bank, non-ACCD Bank, and/or Indonesian LCS Customer for the purpose of implementation of Rupiah and Yen LCS.

Point b

The term of "open position of yen transaction" means data on open position of yen at the end of the Day which is the net difference between outright buy and outright sell of yen against rupiah from tod, tom, spot, and/or forward transactions.

Point c

The term of "position of Yen SNA balance" means data on balance at the end of the Day and history of total daily transactions of Yen SNA.

Point d

The term of "fund transfer" means data on fund transfer from and/or to Yen SNA.

Point e

The term of "position of balance and transaction history of Yen Sub-SNA" means data on balance at the end of the Day and detailed history of daily transactions of Yen Sub-SNA.

Point f

The term of "financing position" means data on daily outstanding amount of Financing.

Point g

The term of "balance and transaction history of Rupiah SNA owned by Japanese ACCD Bank" means data on balance at the

end of the Day and history of total daily transactions of Rupiah SNA.

Paragraph (2)

Sufficiently clear.

Article 38

Point a

The term of "balance and transaction history of Rupiah Sub-SNA owned by Japanese ACCD Bank" means data on balance at the end of the Day and history of total daily transactions of Rupiah Sub-SNA.

Point b

Sufficiently clear.

Article 39

Sufficiently clear.

Article 40

Sufficiently clear.

Article 41

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Example:

An Indonesian ACCD Bank has submitted a report for November 2020, but a mistake is found in one of the lines of Financing position form. Based on that, the Indonesian ACCD Bank must

resubmit all information in the Financing position form including the corrected line and other lines which are not corrected.

Article 42

Sufficiently clear.

Article 43

Sufficiently clear.

Article 44

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Example 1:

Bank A which is an Indonesian ACCD Bank, is experiencing a natural disaster resulting in force majeure throughout September 2020.

Therefore, Bank A is unable to report transactions conducted in September 2020.

Subsequently, Bank A is exempted from the obligation to submit a report in October 2020.

Example 2:

Bank B which is an Indonesian ACCD Bank is experiencing system failure from 10 until 14 September 2020, which results in force majeure.

Bank B's system resumes to normal on 15 September 2020. Based on the condition, Bank B is unable to report transactions during the force majeure which lasts for 5 (five) Days.

Bank B remains obliged to submit a report in October 2020 without data on transactions during the force majeure from 10 until 14 September 2020.

Paragraph (3)

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

Sufficiently clear.

Article 47

Sufficiently clear.

Article 48

Sufficiently clear.

APPENDIX I

REGULATION OF MEMBER OF BOARD OF

GOVERNORS NO. 22/20/PADG/2020

DATED 28 AUGUST 2020

ON

SETTLEMENT FOR BILATERAL TRANSACTIONS

BETWEEN INDONESIA AND JAPAN USING RUPIAH

AND YEN THROUGH BANK

EXAMPLE OF APPLICATION LETTER AS AN INDONESIAN ACCD BANK

To

Department of Financial Market Development

Bank Indonesia

Jalan MH. Thamrin Number 2

Central Jakarta - 10350

Re :   Application as an Indonesian ACCD Bank

We hereby apply to become an Indonesian ACCD Bank for implementation of Rupiah and Yen LCS to comply with Bank Indonesia Regulation Number 22/12/PBI/2020 on Settlement for Bilateral Transactions Using Local Currencies Through Bank and its implementing regulation. We express our interest and are ready operation-wise to be appointed as an Indonesian ACCD Bank.

In relation thereto, we propose a prospective Japanese ACCD Bank, namely [insert name of a prospective partner in Japan].

We hereby declare that this application letter is true and correct, and if any information is found to be false in the future, we agree to accept all actions taken by Bank Indonesia.

Your attention will be highly appreciated.

City, Date/Month/Year

Sincerely,

Signature and Company Stamp

Full Name

(Director/Competent Officer)

MEMBER OF BOARD OF GOVERNORS,

SIGNED

DESTRY DAMAYANTI

APPENDIX II

REGULATION OF MEMBER OF BOARD OF

GOVERNORS NUMBER 22/20/PADG/2020

DATED 28 AUGUST 2020

ON

SETTLEMENT FOR BILATERAL TRANSACTIONS

BETWEEN INDONESIA AND JAPAN USING RUPIAH

AND YEN THROUGH BANK

EXAMPLE OF SETTLEMENT OF TRANSACTIONS IN RUPIAH AGAINST YEN

A. EXAMPLE OF SETTLEMENT OF TRANSACTIONS IN RUPIAH AGAINST YEN
BETWEEN AN INDONESIAN ACCD BANK AND JAPANESE ACCD BANK FOR
ROLLOVER TRANSACTION

Importer B in Indonesia conducts a JPY/IDR buy forward transaction with Bank A, which is an Indonesian ACCD Bank, in the amount of JPY100,000,000.00 (one hundred million yen) at a JPY/IDR exchange rate of 140 with a term of 3 (three) months with maturity date on 12 September 2020. On 1 September 2020, importer B obtained information that shipping from Japan will be delayed, and therefore, importer B rollover the transaction by conducting a sell/buy swap transaction in the amount of JPY100,000,000.00 (one hundred million yen) at a JPY/IDR spot exchange rate of 138 and JPY/IDR forward exchange rate of 142 with a term of 1 (one) month with maturity date on 12 October 2020 with Bank A. On 12 September 2020, importer B settles a transaction in netting for rollover transaction, and accordingly, importer B only transfers fund in the amount of Rp200,000,000.00 (two hundred million rupiah) which is based on the calculation result of exchange rate difference with the notional:

= (140-138) x JPY100,000,000.00.

On 12 October 2020, the JPY/IDR forward transaction due, therefore the importer receives fund in the amount of JPY100,000,000.00 (one hundred million yen) and transfers fund in the amount of Rp14,200,000,000.00 (fourteen billion two hundred million rupiah), which is the calculation result of:

= 142 X JPY100,000,000.00.

B. EXAMPLE OF SETTLEMENT OF TRANSACTIONS IN RUPIAH AGAINST YEN BETWEEN AN INDONESIAN ACCD BANK AND JAPANESE ACCD BANK FOR EARLY TERMINATION

On 12 September 2020, Bank A which is an Indonesian ACCD Bank conducts a JPY/IDR buy through forward transaction for squaring position with Bank X, which is a Japanese ACCD Bank, in the amount of JPY100,000,000.00 (one hundred million yen) at JPY/IDR exchange rate of 140 with a term of 3 (three) months with maturity date on 12 December 2020. On 10 November 2020, Bank A conducts early termination by conducting a buy/sell swap transaction in the amount of JPY100,000,000.00 (one hundred million yen) at a JPY/IDR spot exchange rate of 138 and JPY/IDR forward exchange rate of 142 with a term of 1 (one) month and maturity date on 12 December 2020 with Bank X.

On 12 November 2020, Bank A transfers fund in the amount of Rp13,800,000,000.00 (thirteen billion eight hundred million rupiah) and receives JPY100,000,000.00 (one hundred million yen).

On 12 December 2020, Bank A settles a transaction in netting, and accordingly, Bank A receives fund in the amount of Rp200,000,000.00 (two hundred million rupiah) which is the calculation result of exchange rate difference with notional:

= (142-140) x JPY100,000,000.00.

C. EXAMPLE OF SETTLEMENT OF TRANSACTIONS IN RUPIAH AGAINST YEN BETWEEN AN INDONESIAN ACCD BANK AND JAPANESE NON ACCD BANK FOR UNWIND/CANCEL UP

On 12 September 2020, Bank A which is an Indonesian ACCD Bank conducts a JPY/IDR buy forward transaction in the amount of JPY100,000,000.00 (one hundred million yen) for its squaring position on an underlying of LCS customer X in Indonesia to Bank Z, which is a Japanese non ACCD Bank, with a term of 3 (three) months and at a JPY/IDR exchange rate of 140. Customer X conducts unwind/cancel up, and accordingly, Bank A conducts unwind/cancel up the forward transaction on 12 November 2020 through JPY/IDR sell forward of JPY100,000,000.00 (one hundred million yen) at a JPY/IDR exchange rate of 137. Bank A may unwind the forward transaction of Bank Z by transferring fund in the amount of Rp300,000,000.00 (three hundred million rupiah) on the maturity date which is the calculation result of exchange rate difference with notional:

= (140-137) x JPY100,000,000.00.

MEMBER OF BOARD OF GOVERNORS,

SIGNED

DESTRY DAMAYANTI

APPENDIX III

REGULATION OF MEMBER OF BOARD OF

GOVERNORS NO. 22/20/PADG/2020

DATED 28 AUGUST 2020

ON

SETTLEMENT FOR BILATERAL TRANSACTIONS

BETWEEN INDONESIA AND JAPAN USING RUPIAH

AND YEN THROUGH BANK

UNDERLYING TRANSACTION DOCUMENTS

A. Final Underlying Transaction documents consist among others of:

1. Letter of Credit (L/C) and amendment to L/C, standby L/C, Trust Receipt, or letter of guarantee;

2. an invoice or document incurring any payment obligation, such as:

    a. an invoice or commercial invoice which is valid until the due date of the invoice or commercial invoice.

        If an invoice does not have any due date, its issuance date may be deemed as the due date and the invoice may be used for 3 (three) months at the maximum as from the due date.

    b. debit note whose information therein is verifiable;

    c. sales contract with validity and nominal amount as specified in the contract; and

    d. List of invoices supported by customer's statement containing:

        1) validity of the list;

        2) customer's responsibility to administer the invoice; and

        3) commitment to provide invoices when required by the Bank.

3. copy of Notification of Imported Goods(PIB);

4.   copy of Notification of Exported Goods (PEB);

5.   proof of document showing remittance requirement;

6.   copy of consultant service contract;

7.   copy of employment agreement or any other supporting documents between the foreign worker and company, including income in rupiah, such as salary slip of the foreign worker;

8.   evidence of income in rupiah or yen of the customer for repatriation, among others are salary slip, result of goods and service trade activity, and direct investment;

9.   evidence of direct investment activity resulting in a statement of holding, such as securities or other similar transactions. The value calculated in the statement of holding based on the market value of companies listed on the stock exchange. For companies unlisted on the stock exchange, holding value is based on book value.

10. statement of investment holding issued by the competent authority, including sell and buy of investment agreement, dividend distribution evidence, and other evidence of investment yield;

11. minutes of general meeting of shareholders and other additional documents describing:

   a. the nominal amount for paid-up capital or direct participation; and/or

   b. the nominal amount for dividend payout to shareholders in Japan;

12. minutes of general meeting of shareholders and other additional documents describing the nominal amount for dividend payout to shareholders in Japan;

13. deed of sale and purchase, agreement, audited financial statement, statement of holding of LCS customer showing the company's holding in Indonesia or Japan.

B.   Anticipatory basis Underlying Transaction documents consist among others of:

1.   cash flow projection of export and import of goods and services, prepared by the customer and signed by the customer's competent official. The projection at least contains monthly breakdown of revenue and expenditure of foreign currency on a gross basis;

2.   purchase documents such as a purchase order confirmed by the seller, and subsequently completed with shipping goods evidence;

3.   *proforma* invoice;

4.   *purchase* agreement;

5.   estimate of dividend payout or investment yield based on historical data 1 (one) year prior;

6.   estimate;

    a. tuition fee and living cost overseas;

    b. medication and accommodation costs;

    c. travel and accommodation costs;

    d. income of salary to be remitted,

   signed on a duty stamp by the customer.

MEMBER OF BOARD OF GOVERNORS,

SIGNED

DESTRY DAMAYANTI

APPENDIX IV

REGULATION OF MEMBER OF BOARD OF

GOVERNORS NUMBER 22/20/PADG/2020

DATED 28 AUGUST 2020

ON

SETTLEMENT FOR BILATERAL TRANSACTIONS BETWEEN INDONESIA AND JAPAN USING RUPIAH AND YEN THROUGH BANK

GUIDELINE FOR REPORT PREPARATION AND SUBMISSION

1. **Report Preparation and Submission**

   a. Indonesian ACCD Bank prepares a report on Rupiah and Yen LCS consisting of:

      1) Profile;

      2) Form 1: Foreign Exchange Transactions;

      3) Form 2: Open Position of Yen;

      4) Form 3: Yen SNA Balance;

      5) Form 4: Fund Transfer;

      6) Form 5: Position of Balance and Transaction History of Yen Sub-SNA;

      7) Form 6: Financing Position;

      8) Form 7: Balance and Transaction History of a Japanese ACCD Bank's Rupiah SNA; and

      9) Form 8*: Balance and Transaction History of a Japanese LCS Customer's Rupiah Sub-SNA

      *) Incidental

b. The report is prepared in a complete 1 (one) excel spreadsheet (*.xls or *xlsx), namely 1 (one) worksheet only consists of 1 (one) form.

c. In the event that an Indonesian ACCD Bank is appointed as an ACCD Bank for more than 1 (one) country so that a report on rupiah and a partner country's currency is prepared in 1 (one) form according to the type of report as referred to in letter a.

Example:

Indonesian ACCD Bank is appointed as an ACCD Bank for Japan, Malaysia, and Thailand so that data on foreign exchange transactions for Rupiah and Yen LCS, data on foreign exchange transactions for Rupiah and Ringgit LCS, and data on foreign exchange transactions for Rupiah and Baht LCS are combined in 1 (one) form.

d. The report is compressed as zip or any other similar format and completed with a password.

e. On each report submission, Indonesian ACCD Bank submits 2 (two) electronic mails covering:

1) 1 (one) electronic mail containing the report; and

2) 1 (one) electronic mail containing a password used to open the report.

The two electronic mails have the same subject, namely: LAPORAN ACCD <bank code> <yearmonth: YYYYMM >

Example:

LAPORAN ACCD 999 202009

f. In the event that there is no transaction or position in a reporting month, each form must be reported in the form of header (heading of each form).

g. In the event that an Indonesian ACCD Bank submits a report correction on a certain form, the Indonesian ACCD Bank submits the corrected form completely, togetherwith a profile in one excel spreadsheet. The

correction file is submitted to Bank Indonesia with the mechanism as referred to in point b, point d, and point e.

Example:

In the event that there is a mistake found in one of the lines in a foreign exchange transaction form, an Indonesian ACCD Bank must re-submit all information in the foreign exchange transaction form including the corrected line and other uncorrected lines. The corrected form is submitted together with a profile in one excel spreadsheet.

2. Template and Report Specification

2.1 Information on Profile of Indonesian ACCD Bank

a. *Template*

Name of Indonesian ACCD Bank	
Data Period	

b. Explanation

1) Name of Indonesian ACCD Bank is filled with the Bank's name.

2) Data period is filled with month and year data. Use MM/YYYY format, for example: 09/2020 for data period in September 2020.

2.2 Form 1: Foreign ExchangeTransactions

In this form is reported all foreign exchange transactions conducted by an Indonesian ACCD Bank for implementation of Rupiah and Yen LCS.

a. *Template*

Transaction Date (1)	Partner Country (2)	Type of Transaction (3)	Transaction Reference Number (4)	Transaction Purpose (5)	Type of CounterpartyTransaction (6)	Underlying Transaction Document Number (7)	Term of Underlying Transaction (8)	Nominal Amount of Underlying Transaction (9)	Currency of Underlying Transaction (10)	Remark (11)

b. Explanation

   (1) Transaction Date is filled with the date of transaction, using DD/MM/YYYY format, for example: 01/09/2020 for transaction date of 1 September 2020.

   (2) Partner Country is filled with: Japan

   (3) Type of Transaction is filled with the type of foreign exchange transaction, namely:

      1   TOD

      2   TOM

      3   SPOT

      4   Forward

      5   Swap

   (4) Transaction Reference Number is filled with the same reference number as related transaction reference reported in the Daily Report of Commercial Bank (LHBU) Form 201 – TOD, TOM, SPOT or Form 202 – *Forward, Swap, Option.*

   (5) Transaction Purpose is filled with:

   11 Goods Export;

   12 Service Export;

   13 Goods Import;

   14 Service Import;

   15 Loan;

   16 *Adjust/Squaring Position*;

   17 Asset Investment;

   18 Liquidity Management;

   19 Direct Investment;

   20 Direct investment revenue (dividend, interest rate, etc.);

   21 Trade Financing;

22 Direct Investment Financing;

23 Trade Financing Payment;

24 Direct Investment Financing Payment;

25 Worker Compensation Income;

26 Worker Compensation Payment;

27 Ongoing Transfer Income by the Government Sector and Other Sectors;

28 Ongoing Transfer Payment by the Government Sector and Other Sectors;

29 Transaction or transfer from worker (worker's remittance); or

39 Others

(6) Counterparty Transaction is filled with:

50   Indonesian LCS Customer;

51   Indonesian ACCD Bank;

54   Japanese ACCD Bank;

58   Indonesian non ACCD Bank; or

60   Japanese non ACCD Bank.

(7) Underlying Transaction Document Number is filled withthe document number specified in the Underlying Transaction document. If the document number is unavailable, it is filled with the unique number stored in the database of an Indonesian ACCD Bank.

(8) The Term of Underlying Transaction is filled with the validity of Underlying Transaction document and it is filled with days.

(9) Nominal Amount of Underlying Transaction is filled with the nominal amount as specified in the Underlying Transaction document and it is filled with in rounded nominal.

(10) Underlying Transaction Currency is filled with the currency code specified in the Underlying Transaction document.

The column of Underlying Transaction Document Number (7), Term of Underlying Transaction (8), Nominal Amount of Underlying Transaction (9), and Currency of Underlying Transaction (10) will be left blank if the foreign exchange transaction is conducted without any Underlying Transaction.

(11) Remark is filled with additional information on the foreign exchange transaction, including the reason if the transaction is a settlement.

2.3 Form 2: Open Position of Yen

In this form is reported the open position of daily transaction in yen against rupiah.

a. *Template*

Date (1)	Currency (2)	Buy Volume (3)					Sell Volume (4)					Open Position (5)
		Indonesian LCS Customer	Indonesian ACCD Bank	Partner Country's ACCD Bank	Indonesian non ACCD Bank	Partner Country's non ACCD Bank	Indonesian LCS Customer	Indonesian ACCD Bank	Partner Country's ACCD Bank	Indonesian non ACCD Bank	Partner Country's non ACCD Bank	

b. Explanation

(1) Date is filled with position date by using the format DD/MM/YYYY, for example: 01/09/2020 for position date of 1 September 2020.

(2) Currency is filled with partner country's currency, namely yen.

(3) Buy Volume is filled with total buy volume in yen on a position date based on the counterparty transaction, namely:

a) Indonesian LCS Customer;

b) Indonesian ACCD Bank;

c) Japanese ACCD Bank is filled with buy volume with a Japanese ACCD Bank;

d) Indonesian non ACCD Bank; and

e) Japanese non ACCD Bank is filled with buy volume with Japanese non ACCD Bank.

If there is no buy transaction on the date, leave it blank.

(4) Sell Volume is filled with total sell volume in yen on a position date based on the counterparty transaction, namely:

a) Indonesian LCS Customer;

b) Indonesian ACCD Bank;

c) Japanese ACCD Bank

Filled with sell volume with a Japanese ACCD Bank;

d) Indonesian non ACCD Bank; and

e) Japanese non ACCD Bank

Filled with sell volume with a Japanese non ACCD Bank.

If there is no sell transaction on the date, leave it blank.

(5) Open Position is filled with the daily open position of yen against rupiah and other foreign currencies.

Example of calculation of Open Position of transaction in yen against rupiah:

On 20 October 2020, Bank A which is an Indonesian ACCD Bank conducts the following transactions:

1. JPY/IDR buy forward transaction in the amount of JPY5,000,000.00 (five million yen) from investor A;

2. JPY/IDR buy spot transaction in the amount of JPY4,000,000.00 (four million yen) from importer B;

3. JPY/IDR sell tod transaction in the amount of JPY1,000,000.00 (one million yen) to Bank B which is an Indonesian ACCD Bank; and

4. USD/JPY sell forward transaction in the amount of JPY2,000,000.00 (two million yen) to a Japanese non ACCD Bank.

On 21 October 2020, Bank A conducts the following transactions:

1. JPY/IDR sell spot in the amount of JPY4,000,000.00 (four million yen) from investor Y;

2. JPY/IDR buy forward in the amount of JPY3,000,000.00 (three million yen) from Bank B;

3. JPY/IDR sell tom in the amount of JPY1,000,000.00 (one million yen) to Indonesian migrant worker C; and

4. JPY/IDR buy spot in the amount of JPY5,000,000.00 (five million yen) from importer A.

Based on the transaction, Bank A has an open position from JPY transactions as follows:

Transaction Date	Bank A Buy (through tod, tom, spot, and forward) from:			Bank A Sell (through tod, tom, spot, and forward) to:			Net Cumulative
	LCS Customer	ACCD	Non-ACCD	LCS Customer	ACCD	Non-ACCD	
20 October 2020	5,000,000		2,000,000	1,000,000			
	4,000,000						
	Open position at the end of the day:						+10,000,000
21 October 2020	Open position on the previous day:						+10,000,000
	5,000,000	3,000,000		4,000,000			
	1,000,000						
	Open position at the end of the day:						+15,000,000

2.4 Form 3: Position of Yen SNA Balance

a. *Template*

Date (1)	Currency (2)	Account Number (3)	Account Holder Name (4)	Total Debit (5)	Total Credit (6)	Balance (7)	Interest Rate (8)

b. Explanation

1) Date is filled with position date by using the format DD/MM/YYYY, for example: 01/09/2020 for position date 1 September 2020.

2) Currency is filled with Partner Country's currency, namely yen.

3) Account Number is filled with Yen SNA Number.

4) Account Holder Name is filled with Account Holder Name of Yen SNA.

5) Total Debit is filled with the total debit in Yen SNA on a position date.

6) Total Credit is filled with the total credit in Yen SNA on a position date.

7) Balance is filled with the balance of Yen SNA at the end of the day on a position date.

8) Interest Rate is filled with the interest rate given to Yen SNA.

2.5 Form 4: Fund Transfer

a. *Template*

Transaction Date (1)	Type of Transaction (2)	Currency (3)	Number of Partner's SNA (4)	Name of Partner's SNA Holder (5)	Transaction Purpose (6)	Investment Type (7)	Tenor (8)	Transaction Volume (9)	Account Number of CounterpartyTransaction (10)	Account Holder Name of CounterpartyTransaction (11)	SWIFT Code of CounterpartyTransaction (12)	*Beneficiary* (13)	Remark (14)

b. Explanation

(1) Transaction Date is filled with the date of fund transfer and use DD/MM/YYYY format, for example: 01/09/2020 for transaction date of 1 September 2020.

(2) Transaction Type is filled with:

1	Incoming Transfer
2	Outgoing Transfer

(3) Currency is filled with partner country's currency, namely yen.

(4) Partner's SNA Number is filled with Yen SNA account number.

(5) Name of Partner's SNA Holder is filled with the full name of Yen SNA's holder.

(6) Transaction Purpose is filled with the purpose of fund transfer, namely:

11	Goods Export;
12	Service Export;
13	Goods Import;
14	Service Import;
15	Loan;
16	Adjust/Squaring Position;
17	Asset Investment;
18	Liquidity Management;
19	Direct Investment;
20	Direct investment revenue (dividend, interest rate, etc.);
21	Trade Financing;
22	Direct Investment Financing;
23	Trade Financing Payment;
24	Direct Investment Financing Payment;
25	Worker Compensation Income;

26   Worker Compensation Payment;

27   Ongoing Transfer Income by the Government Sector and Other Sectors;

28   Ongoing Transfer Payment by the Government Sector and Other Sectors;

29   Transaction or transfer from worker (worker's remittance);

39   Others

(7) Investment Type is filled with investment instrument, namely:

171   Equity

172   Debt

179   Other Financial Instruments

(8) Tenor is filled with the term of investment instrument in days. Investment Type (7) and Tenor (8) are filled only if column of Investment Purpose (6) filled with investment.

(9) Transaction Volume is filled with transaction volume in rounded nominal.

(10) Account Number of Counterparty Transaction is filled with the account number of counterparty transaction.

(11) Account Holder Name of Counterparty Transaction is filled with the account holder name of counterparty transaction.

(12) SWIFT Code of Counterparty Transaction is filled with the SWIFT code of counterparty transaction.

(13) Beneficiary is filled with the name of fund transfer beneficiary.

(14) Remark is filled with any additional information on the fund transfer, including additional information on the type of investment instrument.

2.6 Form 5: Balance and Transaction History of Yen Sub-SNA

a. *Template*

Transaction Date (1)	Currency (2)	Number of Partner's Sub-SNA (3)	Name of Partner's Sub-SNA Holder (4)	Transaction Purpose (5)	Type of Underlying Transaction Document (6)	Underlying Transaction Document Number (7)	Term of Underlying Transaction Document (8)	Nominal Amount of Underlying Transaction Document (9)	Currency of Underlying Transaction Document (10)	Debit (11)	Credit (12)	Balance (13)	Remark (14)

b. Explanation

(1) Transaction Date is filled with the date of increase and decrease in the balance of Yen Sub-SNA or position date (if there is no transaction on that date) by using the format DD/MM/YYYY, for example: 01/09/2020 for transaction date of 1 September 2020.

(2) Currency is filled with partner country's currency, namely yen.

(3) Number of Partner's Sub-SNA is filled with Yen Sub-SNA account number.

(4) Name of Partner's Sub-SNA Holder is filled with the full name of Yen Sub-SNA's holder.

(5) Transaction Purpose is filled with the transaction purpose, namely:

11	Goods Export;
12	Service Export;
13	Goods Import;
14	Service Import;
15	Loan;
16	Adjust/Squaring Position;
17	Asset Investment;
18	Liquidity Management;
19	Direct Investment;
20	Direct investment income (dividend, interest rate, etc.);
21	Trade Financing;
22	Direct Investment Financing;
23	Trade Financing Payment;
24	Direct Investment Financing Payment;
25	Worker Compensation Income;
26	Worker Compensation Payment;

27 Ongoing Transfer Income by the Government Sector and Other Sectors;

28 Ongoing Transfer Payment by the Government Sector and Other Sectors;

29 Transaction or transfer from worker (worker's remittance);

39 Others

(6) Underlying Transaction Document is filled with referring to the Document Type field in the Daily Report of Commercial Bank (LHBU), particularly Form 201 – TOD, TOM, SPOT or Form 202 – *Forward, Swap, Option,* among others are:

001 Notification of Imported Goods (PIB) Document;

002 Notification of Exported Goods (PEB) Document;

003 Letter of Credit (L/C) and Amendment to Letter of Credit (L/C);

004 Invoice/commercial invoice;

005 List of invoices;

006 Estimate of tuition fee and living cost in overseas;

007 Estimate of medication and accommodation costs;

008 Estimate of travel and accommodation costs;

009 Copy of consultant service contract;

020 Employment agreement, including salary slip;

024 Evidence of dividend distribution, including minutes of GMS in relation to dividend payout;

028 Bill of Lading;

029 Purchase Agreement;

030 Sales Agreement/Sales Contract;

032 Draft;

035 Debit note;

037 Deed of sales and purchase, agreement, audited financial statement, company's evidence of ownership;

039 Cash flow projection document for international trade (export-import) activities;

040 Purchase order or any other documents confirmed by the seller;

042 Evidence of shareholding investment and evidence of investment yield;

047 Remittance designation document;

999 Others

(7) Underlying Transaction Document Number is filled with the document number specified in the Underlying Transaction document.

If the document number is unavailable, it is filled with it's the unique number stored in the database of an Indonesian ACCD Bank.

(8) The Term of Underlying Transaction is filled with the validity of Underlying Transaction document in days.

(9) Nominal Amount of Underlying Transaction Document is filled with the nominal amount as specified in the Underlying Transaction document in a rounded nominal.

(10) The Currency of Underlying Transaction Document is filled with the currency code specified in the Underlying Transaction document.

(11) Debit.

(12) Credit.

(13) Balance is filled with the balance at the end of the day on a transaction date.

(14) Remark is filled with additional remark; for example, transaction purpose.

2.7 Form 6: Financing Position

a. *Template*

Date (1)	Currency (2)	Type of Counterparty Transaction (3)	Type of Transaction (4)	Description of Transaction Type (5)	Fund Source (6)	Amount (7)	Interest Rate (8)	Remark (9)

b. Explanation

(1) Date is filled with position date by using the format DD/MM/YYYY, for example: 01/09/2020 for position date of 1 September 2020.

(2) Currency is filled with partner country's currency, namely yen.

(3) Name of Counterparty Transaction is filled with the name of Financing beneficiary (LCS customer).

(4) Type of Transaction is filled with the type of Financing transaction, namely:

21   Packing Credit;

22   Trust Receipt;

23   Letter of Credit (L/C);

24   Bank Guarantee;

25   Direct Investment Financing;

29   Others.

(5) Description of Transaction Type is filled with description of transaction type if the transaction type is 29 – Others.

(6) Fund Source is filled with the Financing fund source, namely:

71   Fund of an Indonesian ACCD Bank;

72   Loan from another ACCD Bank;

73   Transaction in rupiah or foreign currency against yen.

(7) Amount is filled with Financing outstanding amount in a rounded nominal at the end of the Day.

(8) Interest Rate is filled with the Financing interest rate.

(9) Remark is filled with additional information related to Financing.

2.8 Form 7: Balance and Transaction History of Rupiah SNA Owned by Japanese ACCD Bank

a. *Template*

Transaction Date (1)	Partner's SNA Number (2)	Name of Rupiah SNA Bank (3)	Transaction Purpose (4)	Type of Underlying Transaction Document (5)	Underlying Transaction Document Number (6)	Term of Underlying Transaction Document (7)	Nominal Amount of Underlying Transaction Document (8)	Currency of Underlying Transaction Document (9)	Debit (10)	Credit (11)	Balance (12)	Remark (13)

b. *Explanation*

(1) Transaction Date is filled with the date of increase and decrease in SNA balance or position date (if there is no transaction on that date) by using the format DD/MM/YYYY, for example: 01/09/2020 for transaction date of 1 September 2020.

(2) Rupiah SNA Number is filled with Rupiah SNA account number.

(3) Name of Rupiah SNA Bank is filled with the full name of Rupiah SNA Bank.

(4) Transaction Purpose is filled with the transaction purpose, namely:

11	Goods Export;
12	Service Export;
13	Goods Import;
14	Service Import;
15	Loan;
16	Adjust/Squaring Position;
17	Asset Investment;
18	Liquidity Management;
19	Direct Investment;
20	Direct investment income (dividend, interest rate, etc.);
21	Trade Financing;
22	Direct Investment Financing;
23	Trade Financing Payment;
24	Direct Investment Financing Payment;
25	Worker Compensation Income;
26	Worker Compensation Payment;
27	Ongoing Transfer Income by the Government Sector and Other Sectors;

28   Ongoing Transfer Payment by the Government Sector and Other Sectors;

29   Transaction or transfer from worker (worker's remittance);

39   Others.

(5) Type of Underlying Transaction Document is filled with referring to the Document Type field in the Daily Report of Commercial Bank (LHBU), particularly Form 201 – TOD, TOM, SPOT or Form 202 – *Forward, Swap, Option,* among others are:

001   Notification of Imported Goods (PIB)Document;

002   Notification of Exported Goods (PEB) Document;

003   Letter of Credit (L/C) and Amendment to Letter of Credit (L/C);

004   Invoice/commercial invoice;

005   List of invoices;

006   Estimate of tuition fee and living cost in overseas;

007   Estimate of medication and accommodation costs;

008   Estimate of travel and accommodation costs;

009   Copy of consultant service contract;

020   Employment agreement, including salary slip;

024   Evidence of dividend distribution, including minutes of GMS in relation to dividend payout;

028   Bill of Lading;

029   Purchase Agreement;

030   Sales Agreement/Sales Contract;

032   Draft;

035   Debit note;

037   Deed of sales and purchase, agreement, audited financial statement, company's evidence of ownership;

039   Cash flow projection document for international trade activities (export-import);

040   Purchase order or any other documents confirmed by the seller;

042   Evidence of shareholding and evidence of investment yield;

047   Remittance designation document;

999   Others.

(6) Underlying Transaction Document Number is filled with the document number specified in the Underlying Transaction document.

If the document number is unavailable it is filled with unique number stored in the database of an Indonesian ACCD Bank.

(7) The Term of Underlying Transaction Document is filled with the validity of Underlying Transaction document in days.

(8) Nominal Amount of Underlying Transaction Document is filled with the nominal amount as specified in the Underlying Transaction document in arounded nominal.

(9) Currency of Underlying Transaction Document is filled with the currency code specified in the Underlying Transaction document.

(10) Debit.

(11) Credit.

(12) Balance is filled with the balance at the end of the day on a transaction date.

(13) Remark is filled with additional remark; for example, transaction purpose.

Form 8: Balance and Transaction History of Rupiah Sub-SNA

a. *Template*

Date (1)	LCS Transaction										Total Accountof Rupiah Sub-SNAs (4)	Balance (5)
	Outgoing Rupiah based on underlying/activities (2)					Incoming Rupiah based on underlying/activities (3)						
	Trade	Investment	Financing	Others	Total	Trade	Investment	Financing	Others	Total		

b. *Explanation*

(1) Transaction Date is filled with transaction date and use DD/MM/YYYY format, for example: 01/09/2020 for position date of 1 September 2020.

(2) Outgoing Rupiah is filled with the nominal amount of outgoing rupiah of LCS transaction based on a certain underlying/activity.

(3) Incoming Rupiah is filled with the nominal amount of incoming rupiah of LCS transaction based on a certain underlying/activity.

(4) Total Account of Rupiah Sub-SNA is filled with the total account of Rupiah Sub-SNA in a reporting period, for example, 30 for 30 LCS customers.

(5) Balance is filled with the balance at the end of the day on a transaction date.

MEMBER OF BOARD OF GOVERNORS,

SIGNED

DESTRY DAMAYANTI

APPENDIX V

REGULATION OF MEMBER OF BOARD OF

GOVERNORS NUMBER 22/20/PADG/2020

DATED 28 AUGUST 2020

ON

SETTLEMENT TRANSACTION BILATERAL

BETWEEN INDONESIA AND JAPAN USING

RUPIAH AND YEN THROUGH BANK

EXAMPLE OF NOTIFICATION LETTER OF BUSINESS LICENSE

REVOCATION/CORPORATE ACTION PLAN*) OF INDONESIAN ACCD BANK

To

Department of Financial Market Development

Bank Indonesia

Jalan MH. Thamrin Number 2

Central Jakarta - 10350

Re :   Notification of in the Process of Business License

Revocation/Corporate Action Plan*) of Indonesian ACCD Bank

In relation to our appointment as an Indonesian ACCD Bank and

referring to Bank Indonesia Regulation Number 22/ 12 /PBI/2020 on

Settlement For Bilateral Transactions Using Local Currencies Through Bank

and its implementing regulation, we hereby notify that our Bank is in the process of business license revocation/ Corporate Action plan*).

In relation thereto, we enclose supporting document in the form of minutes of the general meeting of shareholders related to the plan of business license revocation/Corporate Action *).

Your attention will be highly appreciated.

*) choose one

City, Date/Month/Year

Sincerely,

Signature and Company Stamp

Full Name

(Director/Competent Officer)

MEMBER OF BOARD OF GOVERNORS,

SIGNED

DESTRY DAMAYANTI